IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated: 12.10.2007

Coram

THE HONOURABLE MR. JUSTICE P.K.MISRA
AND
THE HONOURABLE MR. JUSTICE K.MOHAN RAM

Trade Mark Second Appeal (TMSA) No.2 of 1999
and Civil Miscellaneous Petition No.4350 of 1999

Khoday Distilleries Limited,
A Company incorporated under the
Companies Act, having its
Registered Office at No.54,
Kannayakana Agrahara, Anekal Taluk,
Bangalore District, Karnataka State .... Appellant

Vs.

1. The Scotch Whisky Association
20 Atholi Crescent
Edinburgh Scotland,
United Kingdom

2. John Walker and Sons Limited
83 St. James Street,
London SWIA Ind.

3. The Deputy Registrar of Trade Marks,
Trade Mark Registry, Shastri Bhavan
Shastri Bhavan, No.35 Haddows Road,
Chennai - 600 006, Now at Rajaji Bhavan,
Besant Nagar, Chennai - 600 090 .... Respondents

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TMSA filed under Section109 of Trade and Merchandise Marks Act 1958 against the judgment dated 25.09.1998 made in T.M.A.No.3 of 1989.

For Appellant : Mr. Vedantham Srinivasan, for
Mr. C.Hanumantha Rao

For Respondents : Dr. Veerendra Thulza Purkar, Assisted by
Mr. Amit Jamsandikan.
Mr. Swapail Desan for Mr. N.L.Rajah.

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J U D G M E N T

(Judgment of the Court was delivered by K.Mohan Ram, J.)

This appeal has been filed under Section 109 of the Trade and Merchandise Marks Act, 1958 (hereinafter referred to as 'the Act') against the order of the learned Single Judge dated 25.09.1998 in T.M.A. No. 3 of 1989 and Cross Objections. The said appeal has been filed against the order dated 12.05.1989 passed by the learned Deputy Registrar of Trade Marks allowing the Rectification application No.MAS-300 and directing the removal of the Registered Trade Mark No.273203 of the appellant from the Register.

2. The rectification application relates to rectification of Registered Trade Mark No.273203 in Class 33 consisting of the words 'PETER SCOT' per se. The said trade mark was registered with effect from 3rd July 1971 by Khoday Distilleries Private Limited, the appellant herein, on the basis of user claimed since May 1968. On 21.04.1986, rectification application was filed by the respondents 1 & 2 seeking expunction of the impugned registered trade mark on the ground:

> (1) That the registration of impugned trade mark offends Section 9 of the Act on the ground that the mark was neither distinctive nor capable of distinguishing the registered proprietors' goods;
>
> (2) That the impugned registration also contravenes Section 11 as the impugned registered trade mark contains the word 'SCOT' which is likely to deceive or cause confusion in as much as the word 'SCOT' indicates Scottish origin for the liquors;
>
> (3) That the mark is also disentailed to protection in a Court of law
>
> (4) That in all the foregoing premises, the mark shall be removed from the register.

3. The registered proprietors namely the appellants herein filed a counter statement denying all the material averments in the application for rectification and ultimately prayed for the exercise of Registrar's discretion to allow the trade mark to remain on the register.

4. The respondents 1 & 2 filed an affidavit of IAN Glen Barclay in-house solicitor of the first respondent as evidence in support of the application for rectification and also 20 third party affidavits have been filed as evidence. But the appellant herein did not file any evidence in support of registration.

5. The Deputy Registrar of trade Marks, the third respondent herein framed the following five issues;

> (1) Whether the Applicants are "persons aggrieved" under Section 56;

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(2) Whether the Application for rectification is not maintainable due to any mis-joinder of Applicants;

(3) Whether the impugned mark was not distinctive of the goods of the registered proprietors at the commencement of the rectification proceedings;

(4)Whether the impugned registration contravenes Section 11 at the commencement of rectification proceedings; and

(5) Whether the mark is liable to be rectified and if so, in what manner.

6. On a careful consideration of the materials available on record, the third respondent held that the first respondent association cannot be regarded as a "rival in trade" to the registered proprietors and consequently held that the first respondent cannot be considered to be a person aggrieved and accordingly accepted the contentions of the appellant that the first respondent has no locus standi to maintain the application under Section 56 of the Act. But at the same time, upheld the locus standi of the second respondent. As far as the second issue is concerned, the third respondent held that the mis-joinder of applicants is not fatal. As far as the third issue is concerned, the third respondent held that the respondents 1 & 2 herein have practically admitted that the impugned mark is in use during the last several years and therefore it cannot be held that the impugned mark is not distinctive of the goods of the registered proprietors at the commencement of the proceedings and accordingly, decided the issue against the respondents 1 & 2 and in favour of the appellant herein. So far as the issue No.4 is concerned, the third respondent mainly relying upon the failure on the part of the appellants to adduce any evidence to counter the evidence adduced by the respondents 1 & 2, accepted the case of the respondents 1 & 2 and held that the impugned registration contravenes Section 11 on the date of the rectification proceedings. In the absence of contra evidence on the side of the appellant, the third respondent accepted the plea of deceptive element in the impugned mark and also rejected the plea of acquiescence put forth by the appellant.

7. In the appeal against the order passed by the third respondent, filed by the appellant herein, the learned Single Judge agreed with the findings of the third respondent and dismissed the appeal.

8. In his order the learned Singe Judge in paragraphs 29, 36 and 37 has observed as follows:-

"29. The reputation and good will earned by Scotch Whisky has been set out at great length in the affidavit of the solicitor to the Scotch Whisky Association. The appellant did not choose to controvert any of the averments in that affidavit or in the other affidavits nor did it offer any evidence. The objection statement filed by the appellant cannot be treated as evidence.

36. It is unfortunate that the appellant had chosen to refrain from placing any material before the authority to refuse the claim for rectification. Apparently appellant did not have great faith in the validity of the registration and did not consider it worthwhile even to cross-examine the witnesses who had filed the

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affidavits in support of the application for rectification. It is evident that adoption of the mark 'Peter scot' by the appellant was for the reasons mentioned in the affidavit of Peter Jeffery Warren. The mark was adopted apparently with a view to take advantage of the good will associated with Scotch whisky by using the word 'Scot' as part of the trade mark for the whisky manufactured by the appellant.

37. The conduct of the appellant subsequent to the registration is not of much materiality. The appellant has continued to use that mark. The fact that appellant did not do anything more than use the mark does not have the effect of discharging it from the consequences of adopting a mark which should not have been registered."

9. Having observed so and by applying the legal principles applicable for deciding the application for rectification filed under Section 56 of the Act, the learned Single Judge held that the trade mark that was adopted by the appellant 'Peter Scot' was in relation to whisky and when so used, the mark was deceptively similar to 'Scotch' and was likely to lead a consumer of whisky into thinking that the whisky manufactured in this country by the appellant and sold under the trade mark 'Peter Scot' was also scotch whisky. The learned Single Judge also held that the registering authority should have declined to register that mark notwithstanding the fact that no objection had been filed. The learned Single Judge further held that the facts of this case are not such as to warrant the conclusion that there has been acquiescence.

10. The learned Single Judge by applying the legal principle that the statutory standard is not actual confusion and deception but likelihood thereof, held that the term 'Scot' when used in association with whisky of non-Scottish origin is inherently capable of and is likely to cause confusion and deception. The learned single Judge further held that the discretion exercised by the third respondent is not the result of any arbitrary exercise of power but is based upon the material placed before the authorities and does not require interference. The learned Single Judge held that simply because Scotch Whisky Association consists of manufacturers by itself is insufficient to enable the association to maintain the action by itself but however it can do so along with a member who is prejudicially affected by the registration and accordingly allowed the cross-objections.

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11. For proper appreciation of the contentions put forth by the learned counsel on either side it will be useful to refer to the following provisions of the Act viz.:-

"Section 11: Prohibition of registration of certain marks.:
A mark--
(a) the use of which would be likely to deceive or cause confusion; or
(b) the use of which would be contrary to any law for the time being in force; or
(c) which comprises or contains scandalous or obscene matter; or

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(d) which comprises or contains any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India; or
(e) which would otherwise be disentiled to protection in a Court; shall not be registered as a trade mark.

Section 32: Registration to be conclusive as to validity after seven years: Subject to the provisions of Section 35 and Section 46, in all legal proceedings relating to a trade mark registered in Part A of the register (including applications under section 56), the original registration of the trade mark shall, after the expiration of seven years from the date of such registration, be taken to be valid in all respects unless it is proved-

(a) that the original registration was obtained by fraud; or

(b) that the trade mark was registered in contravention of the provisions of Section 11 or offends against the provisions of that Section on the date of commencement of the proceedings; or

(c) that the trade mark was not, at the commencement of the proceedings, distinctive of the goods of the registered proprietor."

12. Heard Mr.Vedantham Srinivasan, learned senior counsel for Mr.C.Hanumantha Rao learned counsel for the appellant and Mr.Veerendra Thulza Purkar learned counsel for the respondents.

13. Mr.Vedantham Srinivasan, learned senior counsel for the appellant submitted that respondents 1 and 2 in their rectification application raised the following grounds namely:-

(i) the mark is not distinctive;

(ii) it was not capable of distinguishing itself as the goods of khodays;

(iii) the use of the mark is likely to deceive or confuse;

(iv) non-user of the mark;

and the third respondent rejected the objections of respondents 1 and 2 on distinctiveness, non-user and locus standi and therefore it is not open to respondents 1 and 2 to plead the same in the above appeal and the issue to be decided in the appeal is whether the mark was likely to deceive and confuse the consumer.

(II) Learned senior counsel for the appellant further submitted that the cause of action for filing the rectification petition accrued from the date of knowledge i.e., 20.09.1974 and the application ought to have been made within three years from the date i.e., on or before 19.09.1977 as the period of limitation prescribed under Article 137 of the Limitation Act is three years. Since the rectification application has admittedly not been filed in time, the same is barred by limitation. In support of his contentions, the learned senior counsel based reliance on the decision reported in A.I.R.1977 S.C. 282 = 1976 (4) S.C.C. 634 (Kerala State Electricity Board Vs. T.P.Kunhallumma), wherein it is held that the words "any other application" will include not only any application under Code of Civil Procedure, but it will include applications under any Act and therefore, Article 137 of the Limitation Act applies to the applications filed under any Act. Learned senior counsel also relied upon the

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decisions reported in 1999 (19) P.T.C. 718 and 2002 (6) Bombay CR 796 = 2003 (26) P.T.C. 517 (Bombay) (Rakesh Kumar Gupta Vs. Goresh Domesztic Appliances and others).

(III) Regarding the scope of interference by the High Court in an appeal filed under Clause 15 of the Letters Patent, the learned senior counsel for the appellant relied upon the decision of the Apex Court reported in A.I.R. 1974 S.C. 2048 (Smt. Asha Devi Vs. Dukhi Sao and another). In the said decision, it is laid down as follows:-

> "The first contention urged before us on behalf of the appellant is that the Letters Patent Bench was not authorized in law to reverse the concurrent findings of fact of the Subordinate Judge and the learned Single Judge of the High Court. It is submitted that a Letters Patent Appeal stand on the same footing as a second appeal and it was therefore not open to the Letters Patent Bench to reverse the concurrent findings of fact of the two courts below. We are of opinion that this contention is not correct. A Letters Patent appeal from the judgment of a learned Single Judge in a first appeal to the High Court is not exactly equivalent to a second appeal under Section 100 of the Code of Civil Procedure, and therefore, it cannot be held that a Letters Patent appeal of this kind can only lie on a question of law and not otherwise. The matter would have been different if the Letters Patent appeal was from a decision of a learned Single Judge in a second appeal to the High Court. In these circumstances it will be open to the High Court to review even findings of fact in a Letters Patent Appeal from a first appeal heard by a learned Single Judge, though generally speaking the Letters Patent Bench would be slow to disturb concurrent findings of fact of the two courts below. But there is no doubt that in an appropriate case a Letters Patent Bench hearing an appeal from a learned Single Judge of the High Court in a first appeal heard by him is entitled to review even findings of fact. The contention of the appellant therefore that the Letters Patent Bench was not in law entitled to reverse the concurrent findings of fact must be negatived".

(IV) Learned senior counsel for the appellant by pointing out various contradictions in the third party affidavits filed by respondents 1 and 2 submitted that these evidence are not worthy of acceptance. Learned senior counsel further contended that, according to respondents 1 and 2 themselves, 46 brands contain the name of 'Scot' as part of their brand name, but no one has complained about confusion or deceit in respect of these band name, because the universal practice is to demand a particular brand by its full name in the whisky trade; therefore there can be no scope or cause for any sort of confusion or deceit particularly having in mind the kind of customers who consume scotch whisky as also its availability and affordability in India where the import and trade were severely restricted and regulated; the third party affidavits filed in 1986 are to be rejected as false, fabricated, contrived, untrue, unbelievable and contrary to the course of common human conduct.

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(V) The following submissions have been made by the learned senior counsel for the appellant regarding the third party affidavits, namely:-

(a) no deponent states that he has been deceived into thinking that "Peter Scot" was a 'Scotch Whisky';

(b) all the stamp papers are purchased by Little and Co., the counsel for respondents and hence, they cannot be treated as independent witnesses;

(c) The vital aspect that the affidavits have been procured by M/s.Little and Company, the Solicitors of the respondent had not been considered by the third respondent and by the learned Single Judge; the stamp papers on which the affidavits have been engrossed stand in the name of M/s.Little and Company; this shows that the affidavits have been obtained by respondents 1 and 2 for production before the third respondent and hence they are not independent;

(d) Scotch Whiskey is very expensive; it is generally consumed only by rich businessmen, industrialists, well paid executives and successful professionals like Doctors, Chartered Accountants or Lawyers; there is no evidence from any such person; all the deponents are ordinary individuals, some even workers and some waiters and bar attendants; none of them have stated their financial status; it is unbelievable that they could afford to drink scotch whisky, which wold have cost at least Rs.60 per peg in bars in respect of IMFL;

(e) most of the bar attendants knowing fully well that PETER SCOT is an Indian Whiskey deliberately mislead their customers that it was Scot Whisky; this kind of misrepresentation could be made with any Indian Whisky bearing a foreign name or work as brand name e.g., Diplomat, Ambassador, McDowell's and so on; their evidence does not prove that a customer without any misrepresentation by them was deceived into thinking that "Peter Scot" was scotch whisky; practically, all the deponents have stated that Peter Scot was an Indian Whisky; none of the deponents refer to the lion device; In Ex/"g" (Price Lists of liquors) exhibited in brand hotels, Indian and Foreign Whiskies are listed separately; generally customers order by brand or after seeking the price list; hence, there is no likelihood of confusion;

(f) there is no evidence given by the respondents to show that Peter Scot has been used as a trade mark for scotch whisky; the evidence does not show that the name of any person has been used as a trade mark for scotch whisky; McDonald, MacAndrews are Scottish names used as brand name for Indian Whisky; the respondents did not raise any objection to this trade mark; in the menu cards of bars and restaurants, the Scottish Whisky and Indian brands of whisky are separately listed;

(g) the very same persons who have filed evidence before the Registrar have also examined themselves in favour of respondents 1 and 2 in Suit No.1352 of 1986 and that itself will show that the deponents are stock witnesses and therefore no reliance can be placed upon them; that the third respondent himself has come to the conclusion that the evidence of the parties are unsatisfactory and as such the third respondent by invoking the proviso to Section 99 of the Act should have recorded evidence;

(h) I.C.Parkley is an In house Solicitor of the first respondent and he cannot file an affidavit on behalf of his client; in support of the said contention, the learned senior counsel relied upon the decision

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reported in A.I.R.2003 AP 445 (Pasupuleti Subba Rao Vs. Nandavarapu Anjaneyulu).

(VI) Learned senior counsel for the appellant submitted that though the affidavit of Mr.Jefrey Warran was filed, the same has been overlooked by the third respondent. In the said affidavit in paragraph 3 it is averred as follows:-

> "... While I was employed by Khoday, the whisky we produced was sold under at least two marks, namely RED KNIGHT and PETER SCOT. The brand name "PETER SCOT" was coined primarily with my father in mind i.e. using his forename "Peter" and his nationality "Scot". Another factor behind coining of this brand name was the internationally known British explorer "Captain Scott", who is widely known as an artist, naturalist and Chariman of the World Wildlife Fund. Although the name "Scott" is spelt with two "t's, it is phonetically the same as "Scot".

but the third respondent has not considered the affidavit filed by Mr.Jefrey Warran which will amount to patent non-application of mind. Learned senior counsel submitted that the learned Single Judge has noticed and stated that the name of the employee cannot be a ground to name a brand, overlooking the fact that prior to the employment of Peter Jefrey Warren and his father Peter Warren, Khoday did not make any whisky and therefore the appellant as blender and brewer of this brand ascribed his name to the whisky.

(VII) Learned senior counsel for the appellant further submitted that under Section 11 of the Customs Act, imports of goods is prohibited except with the permission upon import license given under the Imports and Exports Control Act, 1947; the distribution and sale of such liquor are restricted only to Five Star Hotels and Tourism Hotels approved by the Department of Tourism, Government of India Embassies, shops and airlines; the price of the goods added with 230% customs duty 50% sales tax put it way above the ordinary consumers of the whisky; the laws show that the goods are not available across the country; Foreign liquors have to be specifically produced for and obtained; therefore, the issue of confusion does not arise at all; in addition, the liquor being difficult to procure, it is way above most of the persons who have filed the affidavits; in fine, the pricing, quality and regulations remove any kind of doubt over the brands;

(VIII) Learned senior counsel for the appellant further submitted that the proper time for rectification was after they had knowledge of the publication of the application for registration of the trademark PETER SCOT; no opposition or objection has been taken from 1968 until 1986 by which time, the appellants has established a reputation for the trade name and trade mark; "PETER SCOT" had found acceptance from customers not only in India but throughout the world; the figures from the year 1968 up to date would show the extent of reputation earned by the Indian company; the demand it had created among the discerning liquor customers; nowhere has khoday's claimed PETER SCOT as Scotch Whisky; the lable and the carton clearly indicate then it is a product of India distilled, blended and bottled in India in Bangalore, Karnataka State as required by law;

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this satisfies the requirements of the Trade Marks Rules Part II Schedule 4 Item 43; there is, no likelihood of any confusion or deception as contended by the respondents, since the custom of the trade is to sell goods by description and by brand name only and not by the generic name like scotch or whisky or brandy or gin or rum or beer or vodka.

(IX) Learned counsel further submitted that every wine and every spirit, like cigarettes is only sold by the brand name and the customer also asks and demands these goods only by the brand name; this will clearly prove beyond doubt that the affidavits filed by the Scotch Whisky Distillers Association are procured, false, fabricated contrived and obtained for the purpose of this litigation; they do not deserve any credibility and no reliance can be placed on any of them since many of the submissions are self-contradictory and self defeating; the respondents did not establish the allegation of deception or confusion; on the other hand, some of the affidavits would reveal that the deponents are fraudulent persons because by their own admission, they have cheated the public by giving them something other than what was sought by the customers; not one of the affidavits proves the contention of the respondents as to deception or confusion; those affidavits would amount to offences under Section 191 of the Indian Penal Code and action should be taken against the deponents and the persons who relied upon them and filed them into Court for perjury; the filing of perjured affidavits would amount to sharp practice, fraud on court and abuse of process of law.

(X) Learned senior counsel for the appellant further submitted that Section 26 of the Geographical Indication of Goods Act, 1999 protects the trade mark where the rights of such trademarks are acquired through the use in good faith; no explanation is given by the respondents on the deception and similarity in the name of scotch whisky brands; at pages 118 and 199 of the typed set, the respondents have mentioned more than 44 brands of Scotch whiskeys having the word scott or scot, etc.,; they have not properly explained on the phonetic similarity as well as the deception, similarity in the name of the scotch whisky mentioned therein; hence the objection raised by the respondents in use of words "Scot" is not sustainable; it proves the point of appellant that the customers of scotch whisky is different to that of the persons consuming Indian made foreign liquors and Indian whiskeys; hence the question of confusion or deception in the minds of the consumers as they go by the brand and not by the name; there is no phonetic similarity with any of the brands of the respondents and no customer or consumer has been deceived by the trademark of the appellant; in Slavid 1977 RPC I PC, the Court therein held that there is no cause for any confusion whatsoever and there is no phonetic similarity or confusion between the appellant's brand name and any other brand and this is the finding of the Division Bench of the Bombay High Court in 57 BLR.

(XI) Learned senior counsel for the appellant further submitted that respondents 1 and 2 filed a suit in C.S.No.1729 of 1987 on 17.06.1987 before the Bombay High Court stating that the Whisky sold by the appellant under the name "Peter Scot" has resulted in passing off the goods of the appellant as that of the manufacture of Scotch in Scotland who are well known for the Scotch whisky manufactured by them and which is universally known as Scotch whisky; during the pendency of the said suit this

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application for rectification was filed and the same ought to have been stayed in view of the decision reported in A.I.R. 1999 SC 22 in the case of Whirlpool Corporation; the conduct of the respondent in spite of their knowledge about the alleged likelihood that the use of the trade mark of the appellant would deceive or confuse and their failure to act against them as early as 1974 amount to blame worthy conduct in the relevant sense and referred to GE Trade mark case 1973 RPC 297.

(XII) Learned senior counsel for the appellant submitted that the word Scot has many meanings from indicating whisky; the word Scot has also other meaning besides the native Scotland; Scotch has more than one meaning; as per Black Law Dictionary - 3rd Edition - Scots means in old English Law a text or contribute one share of a contribution; "Scots" also have more than one meaning; there is no reference to "Scot" or "Scott"; "Scot" is indicting Scotch whisky; "Scot" is a rare surname and Scott is a common surname; Peter Scot is the name of the person. Learned senior counsel further submitted that the consumers of wines are aware of the distinctive tastes of each particular brand and not taken in or deceived by brand name and the same principles apply to whisky also. In support of the above said submission, the learned senior counsel for the appellant relied upon the Decision of a Delegate of Devils Ridge - Devils Lair (Nature of Customers).

14. Per contra Dr. Veerendra Thulza Purkar learned counsel for Respondents 1 and 2 submitted as follows:-

(I) The present appeal under Section 109 (5) of the Act is in the nature of a second appeal and hence concurrent findings of facts of the Deputy Registrar which have been confirmed by the learned Single Judge should not be interfered with unless it is found that such findings are capricious or perverse or based on no evidence.

(II) The decision of the Deputy Registrar is confirmed by the learned Single Judge by a well reasoned judgment and after proper appreciation of evidence and applying the settled principles of law; the uncontroverted facts, supporting the respondents' contentions, the failure of the appellant to lead any evidence, the failure of the appellant to dispute the contents of the affidavits filed by the respondents and the existence of evidence adduced before the Deputy Registrar and which evidence have been appreciated by the learned Single Judge show that the decision of the Deputy Registrar and confirmed by the learned Single Judge cannot be termed as arbitrary or capricious or unsustainable or based on no evidence, or was reached by wrong application of principles of law.

(III) Since the appellant had not raised the question of limitation before the Registrar or in the first appeal, the same cannot be raised in the above appeal; the appellant has conceded the non-applicability of the provisions of the Limitation Act, 1963 as could be seen from paragraph 11 of the judgment rendered in the appeal wherein the learned Judge has observed as follows:-

> "The long user by the appellant, it was submitted, shows the acquiescence on the part of the respondents and therefore, despite the fact that no period of limitation is prescribed in Sec. 56 of the Act, the application should have been rejected."

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(IV) Learned counsel for respondents 1 and 2 alternatively submitted that considering the objects of the Act i.e., to maintain the purity of the Register and in the absence of any express provision for limitation in the Act, no Section or Article in the Limitation Act can apply so far as the application for rectification under Section 56 is concerned; in support of his contentions the learned counsel relied upon the following decisions reported in A.I.R. 1969 S.C. 1335 (Town Municipal Council Vs. Presiding Officer, Labour Court), A.I.R. 1970 SC 209 at 210 (para 3) (Nityanand M.Joshi & another Vs. The Life Insurance Corporation of India and Others), A.I.R. 1977 S.C. 282 @ 285 (para 18) (The Kerala State Electricity Board Vs. T.P.Kunhaliumma) and A.I.R. 1985 S.C. 1279 at 1280 (Sakuru Vs. Tanaji).

(V) Learned counsel for respondents 1 and 2 further submitted that Article 137 of the Limitation Act does not apply to the rectification application filed by the respondents before the Registrar. Learned counsel submitted that the decision relied upon by the appellant namely 2002 (6) Bombay CR 796 = 2003 (26) P.T.C. 517 (Bombay) (referred to supra) is not applicable to the facts of this case since in the above case the application for rectification was filed before the High Court and it has been clearly laid down by the Apex Court that Article 137 is applicable to any petition/applicantion filed before the Civil Court only; similarly, the decision reported in 1999 (19) P.T.C. 718 (referred to supra) is also not applicable since in that case also the application was filed before the High Court.

(VI) Learned counsel for respondents 1 and 2 submitted that the contentions of the appellant that the respondents have not made out a case for rectification under Section 11 of the Act is not sustainable; the first respondent has specifically pleaded that the application has been filed under Sections 11 (a) and (e) of the Act. Learned counsel for respondents 1 and 2 submitted that under Section 11 (a) of the Act, a mark, the use of which is likely to deceive or cause confusion is prohibited from being registered as a trade mark, the law does not require the respondents to establish actual deception and confusion; as regards the entry in respect of registered trade mark made under Section 11 (a) of the Act, it is submitted that the use of the words "Scot" as part of the registered trade mark is not just likely to deceive or cause confusion but has actually resulted in causing deception and confusion in believing such a whisky to be Scotch Whisky as the word "Scot" is a abbreviation of / synonymous to / evocative of Scotland and when used in relation to a whisky is indicative that such whisky is distilled and matured in Scotland and is Scotch Whisky; the fact that the word 'Scot' is indicative of/ an abbreviation of/ synonymous to / evocative of Scotland is admitted by the appellants in the affidavit of Mr.Peter J.Warren which was filed by the appellants while reasoning the adoption of the mark Peter Scot; the reason given for adoption of the word Scot as contained in the affidavit of Peter Warren (page 112) is that the word 'Scot' was the nationality of Peter Warren which clearly shows that the appellants admit that the word 'Scot' in the mark Peter Scot is suggestive of Scotland; it is further submitted that the use of the mark 'Peter Scot' containing the word 'Scot' in connection with the appellant's whisky is matured and distilled in

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Scotland and therefore is Scotch Whisky; in order to establish the same, the first respondent contended that Scotch Whisky is a whisky which is distilled and matured in Scotland and that it was available in India; the material produced by the respondents in the form of the first affidavit of Ian Barclay dated 20.10.1987 showed that whisky distilled and matured in Scotland can be called "Scotch Whisky"; as regard the availability of Scotch Whisky in India, the first affidavit of Ian Barclay dated 20.10.1987 at pages 114, 116, 117, 120, 137 and 138 of the paper book as also in second affidavit of Ian Barclay at page 147 of the paper book and the affidavits of the consumers and shopkeepers at pages 148 to 208 of the Paper Book contain materials which clearly establish that the Scotch Whisky was available in India; the contention of the appellant that there were import restrictions till 1999 and that, therefore, Scotch Whisky was not available in India is contrary to the evidence on record which has not been controverted by the appellant.

(VII) Learned counsel for respondents 1 and 2, as regards deception and confusion, submitted that it is for the Tribunal to ultimately arrive at a conclusion whether there was likelihood of deception or confusion; in deciding that question, it is not necessary to refer to or apply any abstruse principle but a common-sense approach is required to be applied; the question of likelihood of deception or confusion arises in,

(a) opposition proceedings i.e. when an application for registration is based and Section 11 of the Act is pleaded by the opponent;

(b) in rectification proceedings where the registration is challenged on the ground of Section 11 of the Act;

(c) in a passing-off action.

(VIII) Learned counsel for respondents 1 and 2 relied upon the decision reported in the case of Parker-knoll Limited Vs. Knoll International Limited reported in 1962 RPC 265, Lord Morris of Borth-y-Guest at page 278 wherein it is stated as follows:-

> "My Lords, in the interests of fair trading and in the interests of all who may wish to buy or to sell goods the law recognises that certain limitations upon freedom of action are necessary and desirable. In some situations the law has had to resolve what might at first appear to be conflicts between competing right. In solving the problems which have arisen there has been no need to resort to any abstruse principles but rather, I think, to the straightforward principle that trading must not only be honest but must not even unintentionally be unfair".

In the instant case, the affidavits of the consumers were filed by the respondents at pages 148 to 208 of the paper book. It is submitted that the appellant did not file any affidavit in reply disputing or doubting the contents of the said affidavits. It is not now open for the appellant to level any criticism that they are procured affidavits. It is pertinent to note that some of the deponents had in fact given evidence in the Bombay High Court Suit, and who were cross-examined and the suit was decreed by Justice Pendse. The contention of the respondents is that whisky distilled and matured in Scotland alone is entitled to be called "Scotch Whisky". Any other whisky if called "Scotch Whisky", or by any word such as "Scot", or "Scott" or "Scottish" or any trade mark, emblem or

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device suggesting Scottish origin is likely to deceive or cause confusion. This contention is based on the extended principles of law relating to unfair trading. Till 1960, the classic cases relating to deception and confusion were confined to the use of or in connection with his goods by one trader of the trade, name or a trade mark so as to induce any potential purchaser to believe that his goods were those of the rival trader.

(IX) The aforesaid principle was extended by Justice Danckwerts in the case of Bollinger, J., and Ors. Vs. Costa Brava Wine Coy., Ld, reported in 1960 RPC 16 to deception and confusion caused by a person attached to his product, a name or description with which it has no natural association so as to make use of the reputation and goodwill which has been gained by a product genuinely indicated by the name or description. The learned senior counsel relied upon the following passage from the above decision viz.:-

> "There seems to be no reason why such licence should be given to a person, competing in trade, who seeks to attach to his product a name or description with which it has no natural association, so as to make use of the reputation and goodwill which has been gained by a product genuinely indicated by the name or description. In my view, it ought not to matter that the persons truly entitled to describe their goods by the name and description are a class producing goods in a certain locality, and not merely one individual. I do not believe that the law of passing-off, which arose to prevent unfair trading, is so limited in scope. In my view, the decision in the Pilsbury Washburn Flour Mills case is good sense, and I find nothing in the English cases which is at all inconsistent with the reasoning of the Americal Court, except possibly some of the remarks of Buckley J. in Whistable Oyster Fishing Company Vs. Hayling Fisheries Ld., which, I think, related to the particular circumstances of the trade in oysters in those cases."

The aforesaid decision was applied in the case of Wine Products Limited and others Vs. Mackenzie & Co. Ltd., & Ors. reported in 1969 RPC Page 1. The same principle was applied to Scotch Whisky in the case of John Walker & Ors. Vs. Henry Ost & Co. Ltd. & Anr. reported in 1970 RPC 489 and the aforesaid decisions were approved by the House of Lords in the case of Erven Warnink B.V. & Anr. Vs. J.Townend & Sons (Hull) Ltd. & Anr. reported in 1980 RPC 31, wherein it was observed as follows:-

> "I would hold the champagnes case to have bee rightly decided and in doing so would adopt the words of Danckwerts J., where the said (at [1960] R.P.C. 31):
>
> "There seems to be no reason why such licence (sc. To do a deliberate act which causes damage to the property of another person) should be given to a person, competing in trade, who seeks to attach to his product a name or description with which it has no natural association, so as to make use of the reputation and

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goodwill which has been gained by a product genuinely indicated by the name or description. In my view, it ought not to matter that the persons truly entitled to describe their goods by the name and description are a class producing goods in a certain locality, and not merely one individual. The description is part of their goodwill and a right of property. I do not believe that the law of passing-off, which arose to prevent unfair trading, is so limited in scope".

In the same case, Lord Fraser of Tyllybelton in his speech observed as follows at page 105:

" ... As I have already said, I think that the case went rather further than the previous decisions in passing-off cases. I would respectfully adopt the words of traditional legal theory used by Cross J. (as he then was) in the Sherry case, (1969 RPC 1 at 23, where he said that the Champagne case "uncovered a piece of common law or equity which had till then escaped notice". But the decision is in my opinion soundly based on the principle underlying the earlier passing-off actions, which I take to be that the plaintiff is entitled to protect his right of property in the goodwill attached to a name which is distinctive of a product or class of products sold by him in the course of his business".

The same principle was applied in India in Suit No.1352 of 1986 before the Bombay High Court, wherein in the said case, the suit was filed by the Scotch Whisky Association & Anr. against Mohan Meakin Ltd. for passing off, complaining that by the use of the mark Royal Scot, the defendant in that case was passing off their whisky as scotch whisky. In the same decision, it is held as follows:-

"It is obvious that the use of the expressions "SCOT", "SCOTS", "SCOTTISH" or "Scotch Whisky" is bound to cause confusion in the mind of the customers who are not regularly drinking or who are not well educated that the Whisky with such a brand name is a Scotch Whisky".

The suit was decreed granting an injunction against use of the word "Scot" as part of the trade mark Royal Scot.

(X) Learned counsel for respondents 1 and 2 therefore submitted that the decision of the Registrar and confirmed by the learned Single Judge is based on correct appreciation of evidence and correct application of the principles of law. In view of the aforesaid settled position in law, a case was also made under Section 11(e) of the Act viz. that the use of the words "Peter Scot" containing the word "Scot" could be injuncted in a passing off action and, therefore, the use of the mark "Peter Scot" was dis-entitled to protection in a Court of law. It is submitted that the decision of the learned Registrar and of the learned Single Judge cannot be faulted on any ground whatsoever. It is further to be seen from the first affidavit of Ian Barclay that many brands of genuine Scotch Whisky include the words "Scot" or "Scott" or "Scottish" as part of their brand names and around 50 such examples were referred to. In the circumstances, it is submitted that sufficient material was produced to show the likelihood of deception and confusion and, therefore, decisions of the learned Registrar and confirmed by the learned Single Judge cannot be

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faulted on any ground whatsoever. The use of the device of lion Rampant and the description "Distilled from the finest malt and blended with the choicest whiskies by Scotch experts under Government Supervision" made by the respondents was to confirm deception and confusion. The device used by the appellant (see page 66 of the paper book for the image) is an exact replica of the Royal Standard of Scotland which is a wellknown emblem of Scotland. This is clear from Ex.-21, which is a copy of the booklet entitled Scotland Kings and Queens which states that the Lion Rampant was adopted as Royal arms of Scotland by William the Lion in the 13th Century which is referred to in paragraph 40 of the first affidavit of Ian Barclay dated 20.10.1987 (pages 130 and 131). The description, "Distilled from the finest malt and blended with the choiciest whiskies by Scotch Experts under Government Supervision" used by the appellant referring to the words "Scotch Experts" it is submitted, is intended to lead consumers to believe that the appellant's whisky is Scotch Whisky which is referred to in paragraph 40 of the first affidavit of Ian Barclay dated 20.10.1987. In the circumstances, the learned senior counsel submitted that the use of the Lion Rampant and the description by the appellant additionally results in the likelihood of deception and confusion and, therefore, decisions of the learned Registrar and confirmed by the learned Single Judge cannot be faulted on any ground whatsoever.

(XI) Learned senior counsel for respondents 1 and 2 submitted that the adoption of the mark "Peter Scot" containing the word "Scot" by the appellant itself was dishonest; the reason given for adoption as contained in the affidavit of Peter Warren and which was filed by the appellants clearly show that the reason for adoption of the word "Scot" as a part of the trade mark 'Peter Scot" was to suggest Scottish connection; it is not a case of the appellants making any mistake of its rights so as to warrant application of the principles of acquiescence; in this connection, the learned senior counsel relied upon Willmott Vs. Barber reported in 15 Ch. D. 96 at 105, where it is observed as follows:-

> "It has been said that the acquiescence which will deprive a man of his legal rights must amount to fraud, and in my view that is an abbrevated statement of a very true proposition. A man is not to be deprived of his legal rights unless he has acted in such a way as would make it fraudulent for him to set up those rights. What, then, are the elements or requisites necessary to constitute fraud of that description? In the first place the plaintiff must have made a mistake as to his legal rights. Secondly, the plaintiff must have expended some money or must have done some act (not necessarily upon the defendant's land) on the faith of his mistaken belief. Thirdly, the defendant, the possessor of the legal right, must know of the existence of his own right which is inconsistent with the right claimed by the plaintiff. If he does not know of it he is in the same position as the plaintiff, and the doctrine of acquiescence is founded upon conduct with a knowledge of your legal rights. Fourthly, the defendant, the possessor of the legal right, must know of the plaintiff's mistaken belief of his rights. If he does not, there is nothing which calls upon him to assert his own rights. Lastly, the

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> defendant, the possessor of the legal right, must have encouraged the plaintiff in his expenditure of money or in the other acts which he has done, either directly or by abstaining from asserting his legal right. Where all these elements exist, there is fraud of such a nature as will entitle the Court to restrain the possessor of the legal right from exercising it, but, in my judgment, nothing short of this will do."

It is therefore submitted that the adoption itself being dishonest, there is no question of the plea of acquiescence being raised. Further, it is stated in the affidavit of Ian Barclay that the appellant was aware that the first respondent was objecting to the applications of the appellant for registration of the marks having Scottish connection. Further, it is submitted that the plea of acquiescence has no application to the case of rectification as the registration confers rights in rem and the conduct of an applicant for rectification is irrelevant considering the nature of the proceedings. The contention of the appellant that in view of the TRIPS agreement and in view of the Geographical Indications Act, the respondents are not entitled to maintain an application for rectification is required to be stated to be rejected. The aforesaid contentions were not raised either before the Registrar or the learned Single Judge and the appellant is not entitled to raise the same. In any event, neither the TRIPS agreement nor the provisions of the Geographical Indication Act, prevent the operation of Section 56 of the Act. The rights created under the TRIPS agreement or under the Geographical Indication Act are in addition to the provisions of the Trade Marks Act. Article 22 of TRIPS requires member states to make provisions for protecting geographical indications and make provisions for preventing the acts resulting in unfair competition.

15. We have carefully considered the submissions made by the learned senior counsel on either side, the materials available on record and perused the order of the learned Single Judge.

16. At the outset, we would like to first take up for consideration the submission made by the learned counsel on either side regarding the scope of interference of this Court in an appeal filed under Section 109 of the Act read with Clause 15 of the Letters Patent.

17. Mr.V.Thulza Purka, learned senior counsel appearing for the respondents contended that the above appeal is in the nature of second appeal and the concurrent findings of fact of the learned Deputy Registrar and confirmed by the learned Single Judge should not be interfered with unless it is found that the said findings are arbitrary or capricious or unsustainable or based on no evidence or was reached by wrong application of principles of law.

18. Per contra, Mr.Vedantham Srinivasan, learned senior counsel appearing for the appellant relied upon the decision of the Hon'ble Apex Court reported in A.I.R. 1974 S.C. 2048 (Smt. Asha Devi Vs. Dukhi Sao and another) referred to supra, contended that it will be open to the High Court to review even findings of facts in a Letters Patent Appeal from a first appeal heard by a learned Single Judge and is entitled to reverse

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the concurrent findings of fact. In the light of the law laid down by the Hon'ble Apex Court in the above said decision, it is clear that this Court while hearing the above appeal is entitled to review even findings of fact and reverse concurrent findings of fact and the above appeal is not exactly equivalent to a second appeal under Section 100 of the Code of Civil Procedure.

19. Coming to the question of limitation raised by the learned senior counsel appearing for the appellant, we are unable to accept the contentions of the learned senior counsel for the following reasons:

(a) The Hon'ble Apex Court in the decision rendered in the case of Sakur Vs. Tanaji reported in AIR 1985 SC 1279 has observed at page 1280 as follows:-

> "It was well settled by the decision of this Court in Town Municipal Council, Athani Vs. Presiding Officer, Labour Court, (AIR 1969 SC 1335), Nithyanand M.Joshi & Anr. Vs. The Life Insurance Corporation of India & Ors. (AIR 1970 SC 209) and Sushila Devi v. Ramanandan Prasad (AIR 1976 SC 177) that the provisions of the Limitation Act, 1963 apply only to proceedings in "Courts" and not to appeals or applications before bodies other than Courts such as quasi-judicial Tribunals or executive authorities, notwithstanding the fact that such bodies or authorities may be vested with certain specified powers conferred on Courts under the Codes of Civil or Criminal Procedure."

Therefore, the contentions of the learned senior counsel for the appellant that the rectification application filed by the respondents 1 & 2 before the third respondent is bared by limitation is unsustainable.

(b) The decision relied upon by the learned senior counsel appearing for the appellant viz., 2003 (26) P.T.C. 517 (Bombay) (Rakesh Kumar Gupta Vs. Goresh Domesztic Appliances) and 2002 (6) Bombay Cases Reporter 796 (Bhagwandas G. Agrawal Vs. Brijwasi Dughdhalaya Private Limited & Anr.) = (2002) Bombay Law Reporter 335 are clearly distinguishable on the ground that the said decisions have been rendered in applications made to the High Court for rectification. The Gujarat High Court in the decision reported in 1999 PTC 718 (Patel Field Marshal Agencies vs. P.M.Diesels Ltd. has observed as under:-

> "the dichotomy noticed is that when an application is made before the Registrar, Article 137 does not apply but when an application is made to the Court for rectification, Article 137 will apply."

Further the Gujarat High Court after referring to the decision of the Hon'ble Apex Court reported in AIR 1977 SC 282, has observed in paragraph 21 as follows:

> "21..... with this change in law, all applications which are required to be made to the High Court became amenable to the law of limitation, while the applications, made to any authority which is not constituted as a court did not attract the provisions of the Limitation Act."

Therefore, the contention of the learned senior counsel appearing for the appellant that the rectification application filed by the respondents 1 & 2 was barred by limitation is unsustainable.

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20. As far as the contention of the learned senior counsel appearing for the appellant regarding the Locus Standi of the first respondent to maintain the rectification application before the third respondent is concerned, we do not agree with the contention of the learned counsel for the appellant for the following reasons:-

(a) The learned senior counsel for the appellant submitted that though the Deputy Registrar has rejected the application field by the first respondent as not maintainable on the ground of locus standi, as the first respondent failed to file any appeal against the said finding and decretal order and the said finding has been confirmed by the learned single judge, the filing of cross objection in the TMA would not amount to filing an appeal and therefore the finding of the Registrar as to the locus standi of the first respondent has become final and amounts to resjudicata. But it will be useful to refer to the observation of the learned Single Judge in para 40 of the judgment while dealing with the cross objections namely,

> "40..... Having regard to that fact, the authority below was in error in holding that the association had no standing to maintain the application along with one who had the standing.....It would be within the competence of the association to support the action of its members and join them in the action, but the association cannot replace a member in a statutory action unless the statue permits it."

Thus it is clear that the learned Single Judge has held that it would be within the competence of the association to support the action of its members and join them in the action and has held that the third respondent was in error in holding that the association had no standing to maintain the application along with one who had the standing. It is pertinent to point out that the learned senior counsel has not advanced any submission regarding the above said finding of the learned Single Judge. We are in complete agreement with the above said decision of the learned Single Judge.

21. The learned senior counsel appearing for the appellant strenuously contended that the averments contained in the affidavits filed by IAN Glen Barclay and by the third parties numbering 20 ought not to have been accepted by the third respondent and by the learned Single Judge. The submissions made by the learned senior counsel appearing for the appellant and the submissions made by the learned senior counsel appearing for the respondents 1 & 2 countering the said submissions have been elaborately set out in the proceedings paragraphs.

22. It is true that the third respondent in his order has observed that all the affidavits, evidence of applicants is not too satisfactory. But the third respondent has further observed as follows:

> "Unfortunately, there is absolutely no evidence whatever from the registered proprietors to assail or counteract or rebut the Applicant's evidence. In the absence of any material or evidence in rebuttal or reply from the registered proprietors,

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the evidence of Applicants stands unquestioned, unrebutted, unassailed and even unmitigated and I have no other go except to receive the voluminous affidavit and documentary evidence filed by Applicants on its fact value. I am accordingly constrained to uphold the Applicants' plea that the impugned registration contravenes Sec.11 on the date of the rectification proceeding."

23. We have already extracted in the proceeding paragraphs the observations made by the learned Single Judge in paragraphs 29 and 36 of the Judgment regarding the failure on the part of the appellant to lead contra evidence in rebuttal of the evidence adduced by the respondents 1 & 2 and the failure on the part of the appellant to cross examine the deponents of the affidavits.

24. The learned senior counsel for the appellant referring to Section 99 of the Act submitted that when the third respondent has observed that the evidence is unsatisfactory, he ought to have summoned the witnesses. But we are unable to understand as to what prevented the appellant from summoning the deponents of the affidavits and cross examine them. Having failed to summon the deponents of the affidavits and cross examine them and failed to adduce evidence in support of its case., it is a futile attempt on the part of the appellant to try to persuade us to reject the evidence adduced by the respondents 1 & 2 by merely pointing out certain discrepancies in the affidavits filed by the third parties.

25. The learned counsel appearing for the respondent vehemently contended that all the deponents are ordinary individuals, some even workers and some waiters and bar attendants and none of them has stated about their financial status and it is unbelievable that they could afford to drink scotch whisky, which would have cost atleast Rs.60/- per peg in bars in respect of IMFL. These facts now urged by the learned senior counsel ought to have been put to the deponents of the affidavits in their cross examination and their veracity should have been tested. When admittedly, the appellant had not chosen to cross examine the deponents of the affidavits, the said contention put forth by the learned senior counsel appearing for the appellant cannot be accepted. Only for the above said reasons, the third respondent and the learned Single Judge have accepted the affidavit evidence tendered by the respondents 1 & 2. We find absolutely no infirmity or error in the third respondent and the learned Single Judge accepting the evidence adduced by the respondents 1 & 2.

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26. It is the contention of the learned senior counsel for the appellant that no case has been made out for rectification under Section 11 of the Act. It has to be pointed out that the respondents pleaded that the application has been filed under Section 11 (a) and (e) of the Act. Under Section 11(a) of the Act, a mark, the use of which would be likely to deceive or cause confusion shall not be registered as a trade mark; the law does not require the respondent to prove actual deception or confusion. As rightly contended by the learned senior counsel for the respondents 1 & 2 as regards the entry in respect of registered trade mark made under Section 11(a) of the Act, it has to be noted that the use of word 'SCOT' as part of the registered trade mark is not just likely to

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deceive or cause confusion but has actually resulted in causing deception and confusion in believing such a whisky as Scotch Whisky as the word 'SCOT' is an abbreviation of / synonymous to / evocative of Scotland and when used in relation to a whisky is indicative that such whisky is distilled and matured in Scotland and is Scotch Whisky.

27. As rightly pointed out by the learned senior counsel for the respondents 1 and 2 the fact that the word 'SCOT' is indicative of / an abbreviation of / synonymous to / evocative of Scotland is admitted by the appellant in the affidavit of Peter J. Warren which was filed by the appellant while reasoning the adoption of the mark 'Peter Scot'. The reason given for adoption of the word 'SCOT' as contained in the affidavit of Peter J. Warren is that the word 'SCOT' was the nationality of Peter Warren which clearly shows that the appellant admitted the word 'SCOT' in the mark 'Peter Scot' is suggestive of Scotland. The material produced by the respondents in the form of the first affidavit of Ian Barclay dated 20th October, 1987 clearly showed that whisky distilled and matured in Scotland can be called 'Scotch Whisky' and is available in India. As regards the availability of Scotch Whisky in India it is not only stated in the first affidavit of Ian Barclay but is also stated in his second affidavit and further the affidavit of the consumers and shop keepers contain materials which clearly establish that the Scotch Whisky was available in India. The averments contained in the above said affidavits as pointed out above have not been controverted by the appellant. Therefore, the contention of the appellant that there was import restrictions in the year 1969 and that therefore Scotch Whisky was not available in India is contrary to the evidence on record.

28. The learned senior counsel for the appellant submitted that there is, no likelihood of any confusion or deception as contended by the respondents, since the custom of the trade is to sell goods by description and by brand name only and not by the generic name like scotch or whisky or brandy or gin or rum or beer or vodka.

29. The learned senior counsel appearing for the respondents 1 & 2 countered the above said submissions and the submissions have already been set out in the preceding paragraphs.

30. The learned senior counsel appearing for respondents 1 and 2 further submitted that it is for the Hon'ble Tribunal to ultimately arrive at a conclusion whether there was likelihood of deception or confusion. In deciding that question, it is not necessary to refer to or apply any abstruse principle but a common sense approach is required to be applied.

31. The learned senior counsel further submitted that in the instant case, the affidavits of the consumers were filed by the respondents and analysis of affidavits of the consumers and waiters and shopkeepers will show that there was likelihood of deception and confusion.

32. The learned senior counsel further submitted that the appellant did not file any affidavit in reply disputing or doubting the contents of the affidavit filed on the side of the respondents. The learned senior counsel further submitted that the contention of the respondents is that whisky distilled and matured in Scotland alone is entitled to be called

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"Scotch Whisky". Any other whisky if called "Scotch Whisky", or by any word such as "Scot", or "Scott" or "Scottish" or any trade mark, emblem or device suggesting Scottish origin is likely to deceive or cause confusion. This contention is based on the extended principles of law relating to unfair trading. The learned senior counsel further submitted that till 1960, the classic cases relating to deception and confusion were confined to the use of or in connection with his goods by one trader of the trade name or a trade mark so as to induce any potential purchaser to believe that his goods were those of the rival trader. The learned senior counsel further relied upon the decision reported in 1960 RPC 16 and 1969 RPC Page 1 referred to supra.

33. The learned senior counsel also relied upon the unreported decision of Pendse J. dated 17th, 18th and 19th November, 1986 in the Bombay High Court Suit No.1352 of 1986. In the said case, the suit was filed by The Scotch Whisky Association & Anr. Agaisnt Mohan Meakin Ltd. for passing off, complaining that by the use of the mark Royal Scot, the Defendant in that case was passing off their whisky as "scotch whisky". In the above case also a similar contention that is put forth before us was raised and while considering the same the learned Judge has referred to several English decisions like Champagne Case, Sherry Case, Scotch Whisky case and Advacaat case and several passages from Kerly's Law of Trade Marks and Trade Names and deduced the following principle viz., the question whether one name is likely to cause confusion with another is a matter upon which the Judge must make up his mind and which, he and he alone, must decide. The Court cannot abdicate the decision in that matter to witnesses, but on the other hand, he must be guided by the evidence produced. By applying the above said principle to the facts of that case and after considering the evidence on record rejected the contentions put forth by the defendants in that case and has observed as follows:-

> "It is obvious that the use of the expressions "SCOT", "SCOTS", "SCOTTISH" or "Scotch Whisky" is bound to cause confusion in the mind of the customers who are not regularly drinking or who are not well educated that the Whisky with such a brand name is a Scotch Whisky".

As rightly contended by the learned senior counsel for respondents 1 and 2 the following persons who have filed their affidavits in this case namely Shri.Maha Rao, Shri.Chavan, Shri.Rao, Shri.Pujari, Shri.Repwate and Shri.Sansare were examined as witnesses in that case and were subjected to cross examination and only on a consideration of such evidence the above observation has been made. In this case admittedly the averments contained in the affidavits filed by third parties have not only not been controverted by the appellant but no rebuttal evidence has been adduced. Therefore, we agree with the above said observation of the learned Judge of the Bombay High Court and reject the contentions put forth by the learned senior counsel for the appellant.

34. Learned senior counsel appearing for the appellant submitted that the rectification application is also barred under law by reason of estoppel by conduct, waiver, acquiescence, delay and laches. Learned senior counsel further submitted that the present rectification application has been filed as late as on 21.04.1996 i.e. 15 years after the registration of the mark and 18 years after initial use of the impugned mark and thus there is a lot of unexplained and unreasonable delay on the part of respondents 1 and 2 in filing rectification

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proceedings and thereby allowing the impugned mark to be used and circulated in the market. According to the learned senior counsel, the conduct of respondents 1 and 2 would amount to acquiescence. Learned senior counsel further submitted that even failure of the appellant to rebut the evidence adduced by respondents 1 and 2 ought not to be taken as a ground for rejecting the contention of the appellant that respondents 1 and 2 have acquiesced in the user of the trade mark of the appellant.

35. Per contra, Dr.Veerendra Thulza Purkar, learned senior counsel for respondents 1 and 2 referred to the following passage from the decision of the House of Lords in Advocaat's case:-

> "As far as laches and acquiescence are concerned the position in my judgment is as follows:
> To avoid any possibility of confusion in any subsequent case, it is important always to remember that there may be a case of acquiescence which does not depend upon delay at all, although we are not dealing with such a case, nor was this Court in the case of Electrolux Ltd., Vs. Electrix Ltd., (1954) 71 R.P.C. 23.
> .....
> Apart from this, acquiescence arising from delay poses two problems when one is dealing with a right at law and a continuing breach. One has to consider first, whether the right has been wholly lost, and, if not, whether the Court should withhold the equitable remedy of an injunction and award damages.
> .....
> It seems to me, therefore, that the true test whether equitable relief should be withheld in the case of a continuing legal wrong on the ground of delay by the plaintiff in enforcing his rights is that the facts must be such that the owner of the legal right has done something beyond mere delay to encourage the wrongdoer to believe that he does not intend to rely on his strict rights, and the wrongdoer must have acted to his prejudice in that belief; that is to say the case approximates to what would totally destroy his right."

36. Learned senior counsel by relying upon the decision in Electrolux Ltd., Vs. Electrix Ltd., and Another ((1954) RPC Vol.71 page 23) submitted that mere delay can be no bar to the exercise of the owner of a registered trade mark of a statutory right. Learned senior counsel further submitted that the adoption of the mark 'Peter Scot" containing the word 'Scot" by the appellant itself was dishonest. The reason given for adoption as contained in the affidavit of Peter Warren and which was filed by the appellant herein, show that the reason for adoption of the word 'Scot" as a part of the trade mark "Peter Scot" was to suggest Scottish's connection. It is not a case of the appellant making a mistake of its rights so as to warrant application of the principles of acquiescence. Learned senior counsel by relying upon the decision in Willmott Vs. Barber (15 Ch.D. 96) submitted that acquiescence which will deprive a man of his legal rights must amount to fraud and a man is not to be deprived of his legal rights unless he has acted in such a way as would make it fraudulent for him to set up its rights. Learned senior counsel further submitted that respondents 1 and 2, possessors of the legal right, must have encouraged the appellant in his expenditure of money or in the other acts which he has done, either directly or by abstaining from asserting his legal rights, then only fraud can be inferred and the plea of acquiescence

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can be accepted. Learned senior counsel further submitted that the appellant has miserably failed not only to controvert the evidence adduced by respondents 1 and 2 but have failed to adduce any evidence whatsoever to establish the plea of acquiescence. In the absence of any evidence, both the third respondent and the learned single judge have rightly negatived the plea of acquiescence put forth by the appellant.

37. We have carefully considered the above said submissions of the learned senior counsel.

38. The principles laid down in the decision relied upon by the learned senior counsel for respondents 1 and 2 clearly lay down that the owner of legal right, in the instant case, respondents 1 and 2 ought to have done something beyond mere delay to encourage the appellant to believe that they do not intend to rely on their strict legal rights and the appellant must have acted to its prejudice in that belief. But as rightly pointed out by the learned senior counsel for respondents 1 and 2, there is total lack of evidence on the part of the appellant to show that respondents 1 and 2 encouraged the appellant to believe that the respondents do not intend to rely upon their strict legal rights. It has to be pointed out that the learned single Judge, at length, has dealt with the legal principles to be applied while considering the question of acquiescence and has observed that the facts of the instant case are not such as to warrant the conclusion that there has been acquiescence. Therefore, in our considered view, the plea of acquiescence put forth by the appellant cannot be accepted. We are in complete agreement with the finding of the learned single Judge that there has been no acquiescence on the part of respondents 1 and 2.

39. Learned senior counsel for the appellant submitted that Section 26 of the Geographical Indication of Goods Act, 1999 protects the trade mark where the rights to such trademarks are acquired through the use in good faith. Countering the said submission, Dr.Veerendra Thulza Purkar, learned senior counsel for respondents 1 and 2 submitted that since the said contention was not raised either before the third respondent or before the learned single Judge, the appellant is not entitled to raise the same in the above appeal.

40. We have considered the above rival contentions. When admittedly the appellant had not raised any such plea either before the third respondent or before the learned single Judge, as rightly contended by the learned counsel for respondents 1 and 2, it is not open to the appellant to raise the plea at this stage and accordingly we are not inclined to entertain the above said submission.

41. Mr.Vedantham Srinivasan, learned senior counsel for the appellant submitted that respondents 1 and 2 filed a suit in C.S.No.1729 of 1987 on 17.06.1987 before the Bombay High Court stating that the whiskey sold by the appellant in the name "Peter Scot" has resulted in passing off of the goods of the appellant as that of the manufacture of scotch in Scotland who are well known for the scotch whiskey manufactured by them and which is universally known as scotch whiskey. During the pendency of the said suit, the present application for rectification was filed before the third

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respondent and the same ought to have been stayed in view of the decision of the Apex Court reported in AIR 1999 SC 22. Countering the said statement, learned senior counsel for respondents 1 and 2 submitted that the learned single Judge has considered the above said contention and has rejected the same. As rightly pointed out by the learned senior counsel for respondents 1 and 2, learned single Judge in para 41 of the judgment considered the above said submissions and has observed that on the facts of this case, having regarding to the inherent inappropriateness of the use of the word "Scot" in relation to whiskey made in India, the exercise of the discretion of the Court in this case has to be in favour of the respondents. We are in total agreement with the above said observations made by the learned single Judge.

42. Learned senior counsel appearing for the appellant submitted that there is no evidence to show that the device of Rampant Lion is brought so is indicative of Scottish origin and there is no evidence to show that the consumers have been deceived into believing that "Peter Scot" whiskey was scotch whiskey because of the presence of the device Rampant Lion on the label. Countering the said submission, learned senior counsel for respondents 1 and 2 submitted that the Lion Rampant has been used on the label of scotch whiskey as can be seen from the second affidavit of Ian Barclay dated 19.11.1987. According to him, the device used by the appellant is an exact replica of the Royal Standard of Scotland which is a well known emblem of Scotland and the same is clear from Ex.21, which is a copy of the booklet entitled Scotland Kings and Queens which states that the Lion Rampant was adopted as Royal Arms of Scotland by William the Lion in the 13th century which is referred to in para 40 of the first affidavit of Ian Barclay dated 20.10.1987. Learned senior counsel further submitted that the description "Distilled from the Finest Malt and Blended with the Choicest Whiskeys by Scotch Experts under Government Supervision" used by the appellant referring to the words "Scotch Experts" is intended to lead consumers to believe that the appellant's whiskey is scotch whiskey and the same has been referred to in para 40 of the first affidavit of Ian Barclay dated 20.10.1987. According to the learned senior counsel, the above said averments in the said affidavit have not been controverted by adducing rebuttal evidence by the appellant. Therefore, the learned senior counsel submitted that the use of Lion Rampant and the description by the appellant additionally results in the likelihood of deception and confusion and therefore the decision of the third respondent/Deputy Registrar and confirmed by the learned single Judge cannot be faulted on any ground whatsoever.

43. We have carefully considered the above said submissions made by the counsel on either side. In our considered view ,the use of the device "Lion Rampant" and the above said description especially the description "Distilled from the Finest Malt and Blended with the Choicest Whiskeys by Scotch Experts under Government Supervision" is definitely intended to lead the consumers to believe that the whiskey manufactured by the appellant is scotch whiskey. Though specific averments as above said have been made in the affidavit of Ian Barclay, the same have not been rebutted by the appellant by adducing rebuttal evidence. The appellant has also not chosen to cross-examine Ian Barclay on the averments contained in the

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affidavit. Therefore, we are of the considered view that both the third respondent and the learned single Judge have considered all the relevant materials available on record and have exercised their discretion properly and as such we do not find any reason to interfere with the judgment of the learned single Judge.

44. For the foregoing reasons, the above appeal fails and the same is dismissed. However, there will be no order as to costs.

Sd/
Asst.Registrar

/true copy/

Sub Asst.Registrar

mmi/kk/srk

To

1. The Deputy Registrar of Trade Marks,
   Trade Mark Registry, Shastri Bhavan
   Shastri Bhavan, No.35 Haddows Road,
   Chennai - 600 006, Now at Rajaji Bhavan,
   Besant Nagar, Chennai - 600 090.

2. The Sub Assistant Registrar,
   Original Side,
   High Court, Madras.

1 cc To Mr.C.Hanumantha Rao, Advocate, SR.63393.

TMSA No.2 of 1999 and
C.M.P.No.4350 of 1999

NRK(CO)
RVL 23.10.2007

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